



A. CALL TO ORDER

B. PRESENTATIONS, ANNOUNCEMENTS, SPECIAL REPORTS

C. CITIZEN COMMENTS

This section of the agenda allows citizens to address the Commission regarding any issue not on the agenda. The duration for each individual speaking is limited to 3 minutes. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up and report at a future meeting.

D. CONSENT AGENDA (Item Nos. 1 – 4)

Page #

The Consent Agenda will be enacted with one vote. The Chairman will first ask the staff, the public and the Commissioners if there is anyone who wishes to remove any item from the Consent Agenda for discussion and consideration. The matters removed from the Consent Agenda will be considered individually at the end of this Agenda under "Items Removed from the Consent Agenda." At that time, any member of the audience may comment on any item pulled from the Consent Agenda. The entire Consent Agenda, with the exception of items removed to be discussed under "Items Removed from the Consent Agenda," is then voted upon by roll call under one motion.

1. Approval of the Minutes for the Meeting of May 27, 2008.....140
2. Resolution No. 562-08 Authorizing Changes to the Adopted 2007-08 Budget145
3. Resolution No. 563-08 Authorizing the Issuance and Negotiated Sale of the148
Leveton Tax Increment District Short-Term Subordinate
Urban Renewal Bond Series 2008
4. Resolution No. 564-08 Authorizing the Issuance and Negotiated Sale of the155
Central Urban Renewal District Short-Term Subordinate
Urban Renewal Bond Series 2008

E-F. PUBLIC HEARINGS

None.

G. GENERAL BUSINESS

None.

H. ITEMS REMOVED FROM CONSENT AGENDA

Items removed from the Consent Agenda will be discussed individually at this time. The Chairman may impose a time limit on speakers addressing these issues.

I. COMMUNICATIONS FROM COMMISSIONERS

J. EXECUTIVE SESSION

K. ADJOURNMENT




Approved by Tualatin
Development Commission
Date June 9, 2008
Recording Sec J. Burt

STAFF REPORT

TUALATIN DEVELOPMENT COMMISSION

TO: Honorable Chairman and Members of the Commission

FROM: Sherilyn Lombos, Administrator 

DATE: June 9, 2008

SUBJECT: APPROVE MINUTES FOR THE MEETING OF MAY 27, 2008

ISSUE BEFORE THE COMMISSION:

The issue before the Commission is to approve the minutes for the Tualatin Development Commission work session and meeting of May 27, 2008.

RECOMMENDATION:

Staff respectfully recommends that the Commission adopt the attached minutes.

FINANCIAL IMPLICATIONS:

There are no financial impacts associated with this item.

Attachments: Minutes

TUALATIN DEVELOPMENT COMMISSION

18880 S.W. MARTINAZZI AVENUE
TUALATIN, OREGON 97062-0369

503 / 692-2000



Approved by Tualatin
Development Commission
Date June 9, 2008
Recorder Sec. [Signature]

TUALATIN DEVELOPMENT COMMISSION WORK SESSION MINUTES OF MAY 27, 2008

PRESENT: Chairman Lou Ogden, Commissioners Chris Barhyte, Monique Beikman, Bob Boryska, Jay Harris, Donna Maddux, and Ed Truax; Sherilyn Lombos, City Manager; Brenda Braden, City Attorney; Mike McKillip, City Engineer; Doug Rux, Community Development Director; Kent Barker, Chief of Police; Don Hudson, Finance Director; Dan Boss, Operations Director; Paul Hennon, Community Services Director; Eric Underwood, Development Coordinator; Kaaren Hofmann, Civil Engineer; Carina Christensen, Assistant to the City Manager; Ginny Kirby, Recording Secretary

ABSENT: [* denotes excused]

[Unless otherwise noted MOTION CARRIED indicates all in favor.]

A. CALL TO ORDER

Chairman Ogden called the work session to order at 6:48 p.m.

B. PRESENTATIONS, ANNOUNCEMENTS, SPECIAL REPORTS

Not applicable.

C. CITIZEN COMMENTS

Not applicable.

D. CONSENT AGENDA

The Consent Agenda was reviewed by the Commission.

E. PUBLIC HEARINGS - Legislative or Other

Not applicable.

F. PUBLIC HEARINGS - Quasi-Judicial

Not applicable.

G. GENERAL BUSINESS

Not applicable.

H. ITEMS REMOVED FROM CONSENT AGENDA

Not applicable.

I. COMMUNICATIONS FROM COMMISSIONERS

Not applicable.

J. EXECUTIVE SESSION

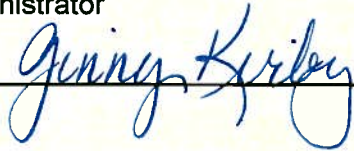
Not applicable.

K. ADJOURNMENT

The work session adjourned at 6:49 p.m.

Sherilyn Lombos, Administrator

Recording Secretary

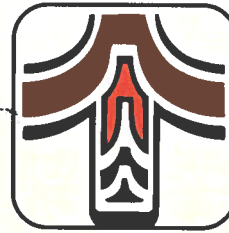
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TUALATIN DEVELOPMENT COMMISSION

18880 S.W. MARTINAZZI AVENUE
TUALATIN, OREGON 97062-0369

503 / 692-2000

Approved by Tualatin
Development Commission
Date June 9, 2008
Recording Sec. J. Kirby



TUALATIN DEVELOPMENT COMMISSION MEETING MINUTES OF MAY 27, 2008

PRESENT: Chairman Lou Ogden, Commissioners Chris Barhyte, Monique Beikman, Bob Boryska, Jay Harris, Donna Maddux, and Ed Truax; Sherilyn Lombos, City Manager; Brenda Braden, City Attorney; Mike McKillip, City Engineer; Doug Rux, Community Development Director; Don Hudson, Finance Director; Dan Boss, Operations Director; Paul Hennon, Community Services Director; Kaaren Hofmann, Civil Engineer; Carina Christensen, Assistant to the City Manager; Ginny Kirby, Recording Secretary

ABSENT: [* denotes excused]

[Unless otherwise noted MOTION CARRIED indicates all in favor.]

A. CALL TO ORDER

Chairman Ogden called the meeting to order at 9:17 p.m.

B. PRESENTATIONS, ANNOUNCEMENTS, SPECIAL REPORTS

None.

C. CITIZEN COMMENTS

None.

D. CONSENT AGENDA

MOTION by Commissioner Truax, SECONDED by Commissioner Boryska to adopt the Consent Agenda as read:

1. Approval of Minutes for the Meeting of May 12, 2008
2. Resolution No. 560-08 Authorizing Compensation for Right-of-Way and Easements and Acceptance of a Temporary Construction Easement Associated with the SW Herman Road Improvement Project (Sally Lee Paulson)
3. Resolution No. 561-08 Awarding Bid for SW 124th Avenue/SW Myslony Street to SW Tualatin-Sherwood Road

MOTION CARRIED.

E-F. PUBLIC HEARINGS

None.

G. GENERAL BUSINESS

None.

H. ITEMS REMOVED FROM CONSENT AGENDA

Items removed from the Consent Agenda will be discussed individually at this time. The Chairman may impose a time limit on speakers addressing these issues.

I. COMMUNICATIONS FROM COMMISSIONERS

None.

J. EXECUTIVE SESSION

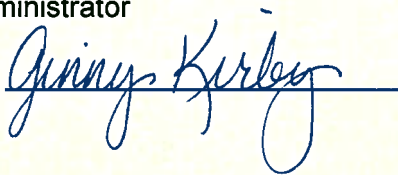
None.

K. ADJOURNMENT

The meeting adjourned at 9:20 p.m.

Sherilyn Lombos, Administrator

Recording Secretary

A handwritten signature in blue ink, appearing to read "Ginny Kurler", is written over a horizontal line.



Approved by Tualatin
Development Commission
Date June 9, 2008
Recording Sec [Signature]

STAFF REPORT

TUALATIN DEVELOPMENT COMMISSION

TO: Honorable Chairman and Members of the Commission

THROUGH: Sherilyn Lombos, Administrator [Signature]

FROM: Donald A. Hudson, Finance Director [Signature]

DATE: June 9, 2008

SUBJECT: RESOLUTION AUTHORIZING CHANGES TO THE ADOPTED
2007-2008 BUDGET

ISSUE BEFORE THE COMMISSION:

Adoption of a resolution authorizing changes to the adopted 2007-2008, in accordance with Local Budget Law.

RECOMMENDATION:

Staff recommends that the Commission adopt the attached resolution.

EXECUTIVE SUMMARY:

Occasionally it becomes necessary after the budget is adopted to increase the total expenditures of a category within a fund. Oregon Revised Statutes 294.450, *Transfers of appropriations within fund or from one fund to another; appropriation of pass-through revenues*, allows for the transfer of existing appropriations within the same fund. A transfer of appropriation is a decrease of one existing appropriation and a corresponding increase of another existing appropriation. In this case, the net effect to the fund is zero. To transfer an appropriation, the governing body must pass a resolution authorizing the transfer. An appropriation transfer does not require a public hearing be held.

During the year, it became necessary to replace a computer and purchase other computer equipment, including document scanning hardware/software, that was not anticipated to be needed during fiscal year 2007-2008. Additionally, unanticipated economic development expenses will need to be incurred during this fiscal year. There are sufficient funds available in contingency to cover these additional expenses.

Additionally, earlier this evening, the Tualatin City Council held a public hearing regarding the City Center Remodel Fund supplemental budget. The Leveton Tax

Increment District Project Fund's share of the additional cost of the project is \$18,500. There are sufficient funds in this fund's contingency, as well.

OUTCOMES OF DECISION:

Denial of the Resolution will result in non-compliance with Local Budget Law.

FINANCIAL IMPLICATIONS:

The net effect to the Economic Development Administration Fund and the Leveton Tax Increment District Project Fund is zero.

Attachments: A. Resolution

RESOLUTION NO. 562-08

RESOLUTION APPROVING CHANGES TO THE ADOPTED 2007-2008
BUDGET

WHEREAS after the budget process for the 2007-2008 fiscal year was completed, unanticipated computer hardware and software needs, economic development expenses and a transfer for the city center remodel project were incurred; and

WHEREAS in order to lawfully comply with the requirements of Local Budget Law, a transfer of appropriation is necessary; and

WHEREAS Oregon Revised Statutes 294.450 allows for the transfer of appropriations decreasing an existing appropriation in a fund and increasing an existing appropriation in the same fund.

BE IT RESOLVED BY THE TUALATIN DEVELOPMENT COMMISSION, THE URBAN RENEWAL AGENCY OF THE CITY OF TUALATIN, that:

Section 1. The Commission wishes to comply with Local Budget Law and transfer existing appropriations within the same fund; and

Section 2. A transfer should be made in the Economic Development Division reducing Contingency (040-1000-701.97-01) in the amount of \$32,372 and increasing Minor Computer Equipment (040-1000-701.41-05) in the amount of \$12,372 and Economic Development Expense (040-1000-701.52-09) in the amount of \$20,000; and

Section 3. A transfer should be made in the Leveton Tax Increment District Project Fund reducing Contingency (043-0000-702.97-01) in the amount of \$18,500 and increasing Transfer to City Center Remodel Fund (043-0000-702.69-28) in the amount of \$18,500.

INTRODUCED AND ADOPTED this 9th day of June, 2008.

TUALATIN DEVELOPMENT COMMISSION,
the urban renewal agency of the City of Tualatin,
Oregon

BY  _____
Chairman

APPROVED AS TO LEGAL FORM


CITY ATTORNEY

ATTEST:
BY  _____
Administrator






Approved by Tualatin
Development Commission
Date June 9, 2008
Recording Sec J. Birkley

STAFF REPORT

TUALATIN DEVELOPMENT COMMISSION

TO: Honorable Chairman and Members of the Commission

THROUGH: Sherilyn Lombos, Administrator 

FROM: Donald A. Hudson, Finance Director 
Doug Rux, Community Development Director 

DATE: June 9, 2008

SUBJECT: RESOLUTION AUTHORIZING THE ISSUANCE AND
NEGOTIATED SALE OF THE LEVETON TAX INCREMENT
DISTRICT SHORT-TERM SUBORDINATE URBAN RENEWAL
BOND SERIES 2008

ISSUE BEFORE THE COMMISSION:

Adoption of a resolution authorizing short-term subordinate urban renewal bond (du jour bond) to pay for the costs of urban renewal projects in the Leveton Tax Increment District.

RECOMMENDATION:

Staff recommends that the Commission adopt the attached resolution.

EXECUTIVE SUMMARY:

- This action is not a public hearing.
- This resolution authorizes the sale of a Leveton Tax Increment District short-term bond in an amount not to exceed \$3,300,000. This will be a bond issued and redeemed within a few days to make funds available to the Leveton Tax Increment District Project Fund and to, in keeping with Oregon Law, pay for the debt in the bond fund.
- Revenue from the sale of the bond is deposited in the Leveton Tax increment District Project Fund and the principal, interest, and loan origination fee is recorded in the Leveton Tax Increment District Bond Fund.
- The Commission has issued "du jour" bonds for a number of years.
- There are no criteria to apply to the request.

OUTCOMES OF DECISION:

Approval of the Resolution will result in the following:

1. The sale of the short-term subordinate bond with proceeds deposited in the Leveton Tax Increment District Project Fund to cover capital project expenditures.

Denial of the Resolution will result in the following:

1. Insufficient funds in the Leveton Tax Increment District Project Fund to cover capital project expenditures.

FINANCIAL IMPLICATIONS:

The sale of the Short-Term Subordinate Bond 2008 is budgeted for Fiscal Year 2007/2008.

Attachments: A. Resolution and Exhibit A

RESOLUTION NO. 563-08

RESOLUTION AUTHORIZING THE ISSUANCE AND
NEGOTIATED SALE OF THE LEVETON TAX INCREMENT
DISTRICT SHORT-TERM SUBORDINATE URBAN
RENEWAL BOND, SERIES 2008

WHEREAS the Tualatin Development Commission (the "Commission") finds it desirable to issue a Short Term Subordinate Urban Renewal Bond to pay for the costs of urban renewal projects in the Leveton Tax Increment District (the "Area"); and

WHEREAS the City of Tualatin has approved a maximum indebtedness for the Area of \$36,424,338. The Commission has previously issued \$24,765,314 of long and short term indebtedness which are subject to the maximum indebtedness limitation, and there is no other indebtedness outstanding for the Area to which the maximum indebtedness limitation applies. As a result, the Commission has \$11,659,024 of capacity (excluding refinancings) to incur indebtedness for the Area; and,

WHEREAS the Commission finds it desirable to sell the proposed Short Term Subordinate Urban Renewal Bond to Bank of America, N.A.; and

WHEREAS the Commission has issued obligations that have senior liens on the tax increment revenues from the Area; and

WHEREAS the bond that is authorized by this Resolution will have a lien on the Commission's tax increment revenues which is subordinate to the lien of the Commission's outstanding senior lien obligations; now, therefore,

BE IT RESOLVED BY THE TUALATIN DEVELOPMENT COMMISSION THE URBAN RENEWAL AGENCY OF THE CITY OF TUALATIN, OREGON, that:

Section 1. Definitions. For purposes of this Resolution, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

"Area" means the Tualatin Leveton Tax Increment District which is described in the Plan, and all additions thereto.

"Bank" means Bank of America, N.A. or its successors.

"Bond" means the Commission's Leveton Tax Increment District Short Term Subordinate Urban Renewal Bond, Series 2008 which is authorized by Section 2 of this Resolution.

"City" means the City of Tualatin, Oregon, a city duly organized and existing under and by virtue of the laws of the State of Oregon and the Charter of the City.

"Code" means the United States Internal Revenue Code of 1986, as amended.

“Commission Official” means the Finance Director of the City or the person designated in writing by the Finance Director to act as Commission Official under this Resolution.

“Commission” means the Tualatin Development Commission, the Urban Renewal Agency of the City.

“General Account” means the account in the Tax Increment Fund that holds Tax Increment Revenues not dedicated to pay debt service or reserves on Senior Lien Obligations.

“Plan” means the Commission's Urban Renewal Plan for the Area, which was originally approved as of August 12, 1985, as it has been and may be amended from time to time.

“Resolution” means this Resolution authorizing the Bond.

“Senior Lien Obligations” means all the Commission's outstanding bonds and other indebtedness which are secured by a pledge of the Tax Increment Revenues, and any bonds issued on parity with those outstanding bonds.

“Tax Increment Fund” means the fund established under ORS 457.440(6) to hold the Tax Increment Revenues.

“Tax Increment Revenues” means all ad valorem tax revenues from property within the Area which are attributable to the increase in assessed value of property within the Area pursuant to Section 1c, Article IX of the Oregon Constitution and the Oregon Revised Statutes, Chapter 457, all taxes levied in connection with the Plan pursuant to Article XI, Section 11(16) of the Oregon Constitution, and all earnings thereon while the Tax Increment Revenues are held in the Tax Increment Fund.

Section 2. Authorization of Series 2008 Bond. The Commission hereby authorizes the issuance of the Bond in an aggregate principal which does not exceed the lesser of \$3,300,000 or the amount of Tax Increment Revenues available in the Tax Increment Fund to pay the Bond, after excluding amounts that are required to pay or fund reserves for Senior Lien Obligations. The Bond shall bear interest which is includable in gross income under the Code. The Bond shall bear interest at the rate or rates approved by the Commission Official pursuant to Section 5.3. The interest rate shall be a variable rate that does not exceed the Bank's prime rate minus one percent (1.00%) per annum. The Bond shall mature within thirty days after the date it is issued, and shall be issued on the terms established by the Commission Official pursuant to Section 5, below.

Section 3. Security for Series 2008 Bond. The Bond shall not be a general obligation of the City of Tualatin or the Commission. The principal of and the interest on the Bond shall be payable solely from the Tax Increment Revenues, including all amounts in the General Account, and any unspent proceeds of the Bond. The Commission hereby irrevocably pledges the Tax Increment Revenues, including all amounts deposited in the General Account, to pay the Bond. The lien on, and pledge of the Tax Increment Revenues to pay the Bond shall be superior to all other claims against the Tax Increment Revenues except that the lien of the Bond shall not be payable from any amounts that the Commission requires to pay or fund reserves for Senior Lien

Obligations. The Commission also hereby irrevocably pledges the proceeds of the Bond, prior to their expenditure, to pay the Bond.

Section 4. Execution of the Bond. The Bond shall be signed with the manual signature of a Commission Official. The Bond shall be in substantially the form attached hereto as Exhibit A.

Section 5. Sale of Bond. The Bond shall be sold to the Bank in accordance with a purchase agreement approved by the Commission Official. The Commission Official is hereby authorized on behalf of the Commission and without further action by the Commission:

- 5.1 to establish the principal amount, closing date, maturity date, interest rate, redemption provisions and other terms of the Bond;
- 5.2 to establish the price at which the Bond shall be sold;
- 5.3 to pay and redeem the Bond on or prior to its stated maturity date;
- 5.4 to approve and execute a bond purchase agreement establishing the terms under which the Bond is sold to the Bank; and
- 5.5 to take any other action which is desirable in order to issue, sell, deliver and pay the Bond in accordance with this Resolution.

INTRODUCED AND ADOPTED this 9th day of June, 2008.

TUALATIN DEVELOPMENT COMMISSION
the Urban Renewal Agency of the City of
Tualatin

BY



Chairman

ATTEST:

BY



Administrator

APPROVED AS TO LEGAL FORM



CITY ATTORNEY

Exhibit A to Resolution No. 563-08

No. R-1

\$ _____

United States of America
Tualatin Development Commission
Washington & Clackamas County
State of Oregon
Leveton Tax Increment District
Short Term Subordinate Urban Renewal Bond
Series 2008

The Tualatin Development Commission, Oregon (the "Commission"), for value received, acknowledges itself indebted and hereby promises to pay no later than _____, 2008, but solely from the Tax Increment Revenues, including amounts in the General Account, and any unspent proceeds of this Bond, to Bank of America, N.A. (the "Owner"), the principal amount of _____ Dollars (\$ _____) with interest thereon from the date hereof at an interest rate equal to the Owner's prime rate of interest, minus one percent. Interest is payable at maturity.

The Commission sold this Bond to the Bank under a purchase agreement dated _____, 2008 (the "Series 2008 Purchase Agreement") and pursuant to the authority of Commission Resolution No. _____ adopted on June 9, 2008 (the "Resolution"). Capitalized terms used but not defined in this Bond shall have the meaning for such term in the Series 2008 Purchase Agreement or the Resolution.

This Bond is subject to redemption at the option of the Commission on any date, in whole or in part, and is subject to mandatory redemption in whole on any date upon the occurrence and declaration of an Event of Default by the Owner, at a price of par plus accrued interest.

THIS BOND IS NOT A GENERAL OBLIGATION OF THE COMMISSION OR THE CITY OF TUALATIN, OREGON, AND IS PAYABLE SOLELY FROM THE TAX INCREMENT REVENUES AND THE PROCEEDS OF THIS BOND, AS PROVIDED IN THE RESOLUTION.

This Bond is issued by the Commission for the purpose of financing the costs of urban renewal projects within the Tualatin Leveton Tax Increment District in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The Commission has pledged the Tax Increment Revenues of the Leveton Tax Increment District and any unspent proceeds of this Bond to pay the Bond. The lien of this Bond on the Tax Increment Revenues is subordinate to the lien of the Commission's outstanding Senior Lien Obligations, as provided in the Resolution.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; and that the issue of which this Bond is a part, and all other obligations of the Commission, are within every debt limitation and other limit prescribed by such Constitution and Statutes.

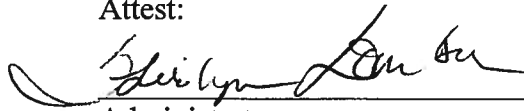
IN WITNESS WHEREOF, the Commission has caused this bond to be signed by the signature of its Commission Official as of this 9 day of **June**, 2008.

Tualatin Development Commission, Oregon



Commission Official

Attest:



Administrator



Approved by Tualatin
Development Commission
Date June 9, 2008
Recording Sec J. Rux

STAFF REPORT

TUALATIN DEVELOPMENT COMMISSION

TO: Honorable Chairman and Members of the Commission

THROUGH: Sherilyn Lombos, Administrator *SL*

FROM: Donald A. Hudson, Finance Director *DAH*
Doug Rux, Community Development Director *DR*

DATE: June 9, 2008

SUBJECT: RESOLUTION AUTHORIZING THE ISSUANCE AND
NEGOTIATED SALE OF THE CENTRAL URBAN RENEWAL
DISTRICT SHORT-TERM SUBORDINATE URBAN RENEWAL
BOND SERIES 2008

ISSUE BEFORE THE COMMISSION:

Adoption of a resolution authorizing short-term subordinate urban renewal bond (du jour bond) to pay for the costs of urban renewal projects in the Central Urban Renewal District.

RECOMMENDATION:

Staff recommends that the Commission adopt the attached resolution.

EXECUTIVE SUMMARY:

- This action is not a public hearing.
- This resolution authorizes the sale of a Central Urban Renewal District short-term bond in an amount not to exceed \$2,269,902. This will be a bond issued and redeemed within a few days to make funds available to the Central Urban Renewal District Project Fund and to, in keeping with Oregon Law, pay for the debt in the bond fund.
- Revenue from the sale of the bond is deposited in the Central Urban Renewal District Project Fund and the principal, interest, and loan origination fee is recorded in the Central Urban Renewal District Bond Fund.
- The Commission has issued "du jour" bonds for a number of years.
- There are no criteria to apply to the request.

STAFF REPORT: Resolution Central Urban Renewal District Short-term Subordinate Bond

June 9, 2008

Page 2 of 2

OUTCOMES OF DECISION:

Approval of the Resolution will result in the following:

1. The sale of the short-term subordinate bond with proceeds deposited in the Central Urban Renewal District Project Fund to cover capital project expenditures.

Denial of the Resolution will result in the following:

1. Insufficient funds in the Central Urban Renewal District Project Fund to cover capital project expenditures.

FINANCIAL IMPLICATIONS:

The sale of the Short-Term Subordinate Bond 2008 is budgeted for Fiscal Year 2007/2008.

Attachments: A. Resolution and Exhibit A

RESOLUTION NO. 564-08

RESOLUTION AUTHORIZING THE ISSUANCE AND
NEGOTIATED SALE OF THE CENTRAL URBAN RENEWAL
AREA SHORT-TERM SUBORDINATE URBAN RENEWAL
BOND, SERIES 2008

WHEREAS the Tualatin Development Commission (the "Commission") finds it desirable to issue a Short Term Subordinate Urban Renewal Bond to pay for the costs of urban renewal projects in the Central Urban Renewal Area (the "Area"); and

WHEREAS the City of Tualatin has approved a maximum indebtedness for the Area of \$27,705,384. The Commission has previously issued \$21,266,157 of long and short term indebtedness which are subject to the maximum indebtedness limitation, and there is no other indebtedness outstanding for the Area to which the maximum indebtedness limitation applies. As a result, the Commission has \$6,439,227 of capacity (excluding refinancings) to incur indebtedness for the Area; and

WHEREAS the Commission finds it desirable to sell the proposed Short Term Subordinate Urban Renewal Bond to Bank of America, N.A.; and

WHEREAS the Commission has issued obligations that have senior liens on the tax increment revenues from the Area; and

WHEREAS the bond that is authorized by this Resolution will have a lien on the Commission's tax increment revenues which is subordinate to the lien of the Commission's outstanding senior lien obligations; now, therefore,

BE IT RESOLVED BY THE TUALATIN DEVELOPMENT COMMISSION THE URBAN RENEWAL AGENCY OF THE CITY OF TUALATIN, OREGON, that:

Section 1. Definitions. For purposes of this Resolution, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

"Area" means the Tualatin Central Urban Renewal Area which is described in the Plan, and all additions thereto.

"Bank" means Bank of America, N.A. or its successors.

"Bond" means the Commission's Central Urban Renewal Area Short Term Subordinate Urban Renewal Bond, Series 2008 which is authorized by Section 2 of this Resolution.

"City" means the City of Tualatin, Oregon, a city duly organized and existing under and by virtue of the laws of the State of Oregon and the Charter of the City.

"Code" means the United States Internal Revenue Code of 1986, as amended.

“Commission Official” means the Finance Director of the City or the person designated in writing by the Finance Director to act as Commission Official under this Resolution.

“Commission” means the Tualatin Development Commission, the Urban Renewal Agency of the City.

“General Account” means the account in the Tax Increment Fund that holds Tax Increment Revenues not dedicated to pay debt service or reserves on Senior Lien Obligations.

“Plan” means the Commission's Urban Renewal Plan for the Area, which was originally approved as of January 27, 1975, as it has been and may be amended from time to time.

“Resolution” means this Resolution authorizing the Bond.

“Senior Lien Obligations” means all the Commission's outstanding bonds and other indebtedness which are secured by a pledge of the Tax Increment Revenues, and any bonds issued on parity with those outstanding bonds.

“Tax Increment Fund” means the fund established under ORS 457.440(6) to hold the Tax Increment Revenues.

“Tax Increment Revenues” means all ad valorem tax revenues from property within the Area which are attributable to the increase in assessed value of property within the Area pursuant to Section 1c, Article IX of the Oregon Constitution and the Oregon Revised Statutes, Chapter 457, all taxes levied in connection with the Plan pursuant to Article XI, Section 11(16) of the Oregon Constitution, and all earnings thereon while the Tax Increment Revenues are held in the Tax Increment Fund.

Section 2. Authorization of Series 2008 Bond. The Commission hereby authorizes the issuance of the Bond in an aggregate principal which does not exceed the lesser of \$2,269,902 or the amount of Tax Increment Revenues available in the Tax Increment Fund to pay the Bond, after excluding amounts that are required to pay or fund reserves for Senior Lien Obligations. The Bond shall bear interest which is includable in gross income under the Code. The Bond shall bear interest at the rate or rates approved by the Commission Official pursuant to Section 5.3. The interest rate shall be a variable rate that does not exceed the Bank's prime rate minus one percent (1.00%) per annum. The Bond shall mature within thirty days after the date it is issued, and shall be issued on the terms established by the Commission Official pursuant to Section 5, below.

Section 3. Security for Series 2008 Bond. The Bond shall not be a general obligation of the City of Tualatin or the Commission. The principal of and the interest on the Bond shall be payable solely from the Tax Increment Revenues, including all amounts in the General Account, and any unspent proceeds of the Bond. The Commission hereby irrevocably pledges the Tax Increment Revenues, including all amounts deposited in the General Account, to pay the Bond. The lien on, and pledge of the Tax Increment Revenues to pay the Bond shall be superior to all other claims against the Tax Increment Revenues except that the lien of the Bond shall not be payable from any amounts that the Commission requires to pay or fund reserves for Senior Lien

Obligations. The Commission also hereby irrevocably pledges the proceeds of the Bond, prior to their expenditure, to pay the Bond.

Section 4. Execution of the Bond. The Bond shall be signed with the manual signature of a Commission Official. The Bond shall be in substantially the form attached hereto as Exhibit A.

Section 5. Sale of Bond. The Bond shall be sold to the Bank in accordance with a purchase agreement approved by the Commission Official. The Commission Official is hereby authorized on behalf of the Commission, and without further action by the Commission:

- 5.1 to establish the principal amount, closing date, maturity date, interest rate, redemption provisions and other terms of the Bond;
- 5.2 to establish the price at which the Bond shall be sold;
- 5.3 to pay and redeem the Bond on or prior to its stated maturity date;
- 5.4 to approve and execute a bond purchase agreement establishing the terms under which the Bond is sold to the Bank; and
- 5.5 to take any other action which is desirable in order to issue, sell, deliver and pay the Bond in accordance with this Resolution.

INTRODUCED AND ADOPTED this 9th day of June, 2008.

TUALATIN DEVELOPMENT COMMISSION
the Urban Renewal Agency of the City of
Tualatin

BY



Chairman

ATTEST:

BY



Administrator

APPROVED AS TO LEGAL FORM


CITY ATTORNEY

Exhibit A to Resolution No. 564-08

No. R-1

\$ _____

United States of America
Tualatin Development Commission
Washington & Clackamas County
State of Oregon
Central Urban Renewal Area
Short Term Subordinate Urban Renewal Bond
Series 2008

The Tualatin Development Commission, Oregon (the "Commission"), for value received, acknowledges itself indebted and hereby promises to pay no later than _____, 2008, but solely from the Tax Increment Revenues, including amounts in the General Account, and any unspent proceeds of this Bond, to Bank of America, N.A. (the "Owner"), the principal amount of _____ Dollars (\$ _____) with interest thereon from the date hereof at an interest rate equal to the Owner's prime rate of interest, minus one percent. Interest is payable at maturity.

The Commission sold this Bond to the Bank under a purchase agreement dated _____, 2008 (the "Series 2008 Purchase Agreement") and pursuant to the authority of Commission Resolution No. _____ adopted on June 9, 2008 (the "Resolution"). Capitalized terms used but not defined in this Bond shall the meaning for such term in the Series 2008 Purchase Agreement or the Resolution.

This Bond is subject to redemption at the option of the Commission on any date, in whole or in part, and is subject to mandatory redemption in whole on any date upon the occurrence and declaration of an Event of Default by the Owner, at a price of par plus accrued interest.

THIS BOND IS NOT A GENERAL OBLIGATION OF THE COMMISSION OR THE CITY OF TUALATIN, OREGON, AND IS PAYABLE SOLELY FROM THE TAX INCREMENT REVENUES AND THE PROCEEDS OF THIS BOND, AS PROVIDED IN THE RESOLUTION.

This Bond is issued by the Commission for the purpose of financing the costs of urban renewal projects within the Tualatin Central Urban Renewal Area in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The Commission has pledged the Tax Increment Revenues of the Central Urban Renewal Area and any unspent proceeds of this Bond to pay the Bond. The lien of this Bond on the Tax Increment Revenues is subordinate to the lien of the Commission's outstanding Senior Lien Obligations, as provided in the Resolution.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; and that the issue of which this Bond is a part, and all other obligations of the Commission, are within every debt limitation and other limit prescribed by such Constitution and Statutes.

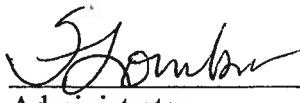
IN WITNESS WHEREOF, the Commission has caused this bond to be signed by the signature of its Commission Official as of this 9 day of June, 2008.

Tualatin Development Commission, Oregon



Commission Official

Attest:



Administrator

APPROVED AS TO LEGAL FORM



CITY ATTORNEY